

**ENTERED**

April 19, 2022

Nathan Ochsner, Clerk

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

In re:	§	
	§	<b>Chapter 11</b>
	§	
FIELDWOOD ENERGY III LLC, <i>et al.</i> ,	§	<b>Case No. 20-33948 (MI)</b>
	§	
Post-Effective Date Debtors. <sup>1</sup>	§	<b>(Jointly Administered)</b>
	§	<b>Re. ECF Nos. 2082; 2119</b>
	§	

**STIPULATION AND ORDER BETWEEN PLAN ADMINISTRATOR  
AND COX ENTITIES DISMISSING THE COX ENTITIES' APPLICATION  
FOR ALLOWANCE OF ADMINISTRATIVE EXPENSE CLAIM WITH PREJUDICE**

This stipulation and order (the “**Stipulation and Order**”) is entered into by and between (i) Cox Oil, LLC; Cox Operating LLC; Energy XXI GOM, LLC; Energy XXI Gulf Coast, Inc.; Energy XXI Onshore, LLC; Energy XXI Pipeline, LLC; Energy XXI Pipeline I, LLC; Energy XXI Pipeline II, LLC; M21K, LLC and EPL Oil & Gas, Inc.; on behalf of themselves and their applicable affiliates (collectively, the “**Cox Entities**”), and (ii) the Plan Administrator appointed in the above-captioned cases (together with the Cox Entities, the “**Parties**”). The Parties hereby stipulate and agree as follows:

---

<sup>1</sup> The Post-Effective Date Debtors, along with the last four digits of each Post-Effective Date Debtor’s federal tax identification number, as applicable, are: Fieldwood Energy III LLC (6778); Fieldwood Energy Offshore LLC (4494), Fieldwood Energy Inc. (4991), GOM Shelf LLC (8107), and FW GOM Pipeline, Inc. (8440). Fieldwood Energy III LLC, Fieldwood Energy Offshore LLC, and Fieldwood Energy Inc. are managed and operated by the Plan Administrator, whose primary mailing address is 16255 Ventura Blvd., Suite 440, Encino, CA, 91436, C/O of Province LLC. GOM Shelf LLC and FW GOM Pipeline, Inc. (collectively, the “**Post-Effective Date FWE I Subsidiaries**”) are managed and operated by Jon Graham, as sole manager of each Post-Effective Date FWE I Subsidiary. The Debtors in the other nine pending chapter 11 cases (which continue to be jointly administered with the cases of the Post-Effective Date Debtors), each of which have either been dissolved or merged into other entities as of the Effective Date, consist of the following: Dynamic Offshore Resources NS, LLC (0158); Fieldwood Onshore LLC (3489); Fieldwood SD Offshore LLC (8786); Fieldwood Offshore LLC (2930); Bandon Oil and Gas GP, LLC (9172); Bandon Oil and Gas, LP (9266); Fieldwood Energy SP LLC (1971); Galveston Bay Pipeline LLC (5703); and Galveston Bay Processing LLC (0422).

WHEREAS, commencing on August 3, 2020 (the “**Petition Date**”), each of the Debtors filed a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Southern District of Texas (the “**Bankruptcy Court**”);

WHEREAS, certain of the Debtors and certain of the Cox Entities are party to various agreements (the “**Cox Agreements**”) that are identified on the Schedule of Assumed Contracts for assumption and assignment or assumption and allocation, as applicable, pursuant to the terms of the Debtors’ *Modified Eighth Amended Joint Chapter 11 Plan of Fieldwood Energy LLC and Its Affiliated Debtors* (ECF No. 2008) (the “**Plan**”);<sup>2</sup>

WHEREAS, on June 7, 2021, the Cox Entities filed their *Limited Objection of Cox Entities to Notice to Contract Parties to Executory Contracts and Unexpired Leases of the Schedule of Assumed Contracts and Cure Amounts* (ECF No. 1504) (the “**Cox Objection**”), seeking to preserve their rights to continue reconciling, netting, and seeking payment in the ordinary course of any ordinary course payments due to Cox under the Cox Agreements;

WHEREAS, on June 25, 2021, the Court entered the *Findings of Fact, Conclusions of Law, and Order (I) Confirming Eighth Amended Joint Chapter 11 Plan of Fieldwood Energy LLC and Its Affiliated Debtors and (II) Granting Related Relief* (ECF No. 1751) (the “**Confirmation Order**”), confirming the Debtors’ Plan;

WHEREAS, pursuant to paragraph 38 of the Confirmation Order and Section 8.2 of the Plan, the Debtors and the Cox Entities agreed to adjourn the hearing on the Cox Objection to after the Confirmation Hearing (the “**Adjourned Assumption Dispute**”);

---

<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Plan or in the Assumption Stipulation and Order (defined below), as applicable.

WHEREAS, the Parties negotiated a stipulation to resolve the Adjourned Assumption Dispute and, on August 24, 2021, the Court approved and entered that certain *Stipulation and Order Between Debtors and Cox Oil, LLC and Certain Affiliates Resolving Adjourned Assumption Dispute* (ECF No. 2005) (the “**Assumption Stipulation and Order**”) resolving the Cox Objection and related issues on the terms and conditions set forth therein;

WHEREAS, pursuant to paragraph 4 of the Assumption Stipulation and Order, to the extent any valid, undisputed Pre-Effective Date Amounts were not paid in the ordinary course, the Cox Entities retained any rights, remedies and claims in connection with any such unpaid amounts, including but not limited to the right to seek allowance and payment of any such amounts as an administrative claim pursuant to Sections 503, 507 and 1129 of the Bankruptcy Code, as well as the right to recover any such unpaid amounts through rights of setoff and recoupment; *provided that* the Debtors, the Post-Effective Date Debtors, FWE I, or the Credit Bid Purchaser, as applicable, reserved any rights, defenses, and claims, including the right to challenge or object to, for any reason, any claims (including administrative claims), rights to setoff or recoupment, asserted by the Cox Entities in connection with the Pre-Effective Date Amounts;

WHEREAS, the Effective Date of the Plan occurred on August 27, 2021;

WHEREAS, on October 11, 2021, the Cox Entities filed their *Application of Cox Entities for Allowance of Administrative Expense Claim* (ECF No. 2082) (the “**Cox Administrative Claim Application**”), which seeks entry of an order requiring payment of certain asserted Pre-Effective Date Amounts;

WHEREAS, on November 1, 2021, the Plan Administrator filed the *Plan Administrator’s Limited Objection and Reservation of Rights in Response to the Application of Cox Entities for Allowance of Administrative Expense Claim* (ECF No. 2119) objecting to, among other things, any

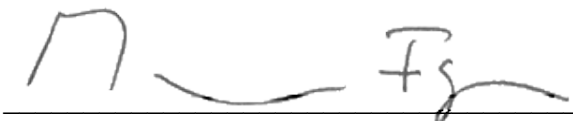
request for payment of asserted Pre-Effective Date Amounts to the Cox Entities until the Debtors and the Cox Entities have completed a review and reconciliation of such asserted amounts (the “**Fieldwood Limited Objection**”); and

WHEREAS, the Parties have negotiated in good faith to resolve the Cox Administrative Claim Application and the Fieldwood Limited Objection on the terms and conditions set forth in this Stipulation and Order.

**NOW, THEREFORE**, in consideration of the foregoing recitals, which are incorporated into this Stipulation and Order, the Parties hereby stipulate and agree as follows:

1. There are no Pre-Effective Date Amounts owing to the Cox Entities.
2. Upon the Bankruptcy Court’s approval and entry of this Stipulation and Order, the Cox Administrative Claim Application and the Fieldwood Limited Objection shall be dismissed with prejudice.
3. For the avoidance of doubt, the Cox Entities and QuarterNorth Energy LLC (“**QuarterNorth**”) reserve all their respective rights arising post-Effective Date under the Cox Agreements assigned to QuarterNorth, and the Cox Entities and the applicable Post-Effective Date FWE I Subsidiary reserve all their respective rights arising post-Effective Date under the Cox Agreements allocated to the applicable FWE I Subsidiary.
4. This Stipulation and Order shall not be modified, altered, amended or supplemented except by a writing executed by all Parties through their authorized representatives.
5. The terms and conditions of this Stipulation and Order shall be immediately effective and enforceable upon entry by the Bankruptcy Court.
6. The Bankruptcy Court retains jurisdiction over all matters related to this Stipulation and Order.

Signed: April 18, 2022

  
Marvin Isgur  
United States Bankruptcy Judge

**IT IS SO ORDERED.**

Dated: \_\_\_\_\_, 2022

---

HON. MARVIN ISGUR  
UNITED STATES BANKRUPTCY JUDGE

IN WITNESS WHEREOF, this Stipulation and Order has been executed and delivered as of the day and year first below written.

Dated: April 14, 2022

/s/ Jonathan W. Young  
**LOCKE LORD LLP**  
Jonathan W. Young (admitted *pro hac vice*)  
111 Huntington Avenue  
Boston, MA 02199  
Telephone: 617-239-0367  
Facsimile: 855-595-1190  
jonathan.young@lockelord.com

Michael B. Kind (admitted *pro hac vice*)  
111 South Wacker Drive  
Chicago, IL 60606  
Telephone: (312) 443-0700  
Facsimile: (855) 595-1192  
michael.kind@lockelord.com

Stephen J. Humeniuk  
Texas Bar No. 24087770  
600 Congress Ave., Suite 2200  
Austin, TX 78701  
Telephone: (512) 305-4700  
Facsimile: (512) 305-4800  
stephen.humeniuk@lockelord.com

*Attorneys for Cox Oil, LLC, Cox Operating LLC, Energy XXI GOM, LLC, Energy XXI Gulf Coast, Inc., Energy XXI Onshore, LLC, Energy XXI Pipeline, LLC, Energy XXI Pipeline I, LLC, Energy XXI Pipeline II, LLC, M21K, LLC and EPL Oil & Gas, Inc., on behalf of themselves and their applicable affiliates*

/s/ Jessica Liou  
**WEIL, GOTSHAL & MANGES LLP**  
Alfredo R. Pérez (15776275)  
Clifford W. Carlson (24090024)  
700 Louisiana Street, Suite 1700  
Houston, Texas 77002  
Telephone: (713) 546-5000  
Facsimile: (713) 224-9511  
Email: Alfredo.Perez@weil.com  
Clifford.Carlson@weil.com

Matthew S. Barr (admitted *pro hac vice*)  
Jessica Liou (admitted *pro hac vice*)  
**WEIL, GOTSHAL & MANGES LLP**  
767 Fifth Avenue  
New York, New York 10153  
Telephone: (212) 310-8000  
Facsimile: (212) 310-8007  
Email: Matt.Barr@weil.com  
Jessica.Liou@weil.com

*Attorneys for the Plan Administrator and certain Post-Effective Date Debtors*